



ADDENDUM TO
DISTRIBUTED GENERATION FACILITY INTERCONNECTION AGREEMENT-
NET METERING DURING FY 15-16 PILOT PROGRAM PERIOD

The City of Mesa, an Arizona municipal corporation (CITY), and INSERT DISTRIBUTED GENERATION OWNER NAME (CUSTOMER) are entering into this addendum to the Interconnection Agreement between CUSTOMER AND CITY, to provide for net metering during the period defined in Section 1 below ("NET METERING PERIOD"). This ADDENDUM is part of and incorporated into the INTERCONNECTION AGREEMENT between CUSTOMER and CITY and is limited by all terms and provisions of the INTERCONNECTION AGREEMENT unless such terms are specifically modified in this ADDENDUM. This ADDENDUM is applicable to the DISTRIBUTED GENERATION EQUIPMENT (as defined in the INTERCONNECTION AGREEMENT) at the SITE defined in the INTERCONNECTION AGREEMENT and set forth in Section 1 below.

SECTION 1: CUSTOMER, SITE, AND INTERCONNECTION AGREEMENT INFORMATION

CUSTOMER: INSERT NAME
CUSTOMER City of Mesa Electric Utility Customer Account Number: INSERT
SITE: INSERT ADDRESS
INTERCONNECTION AGREEMENT Number: INSERT
INTERCONNECTION DATE: INSERT
NET METERING PERIOD: Beginning on the Interconnection Date and ending on the last day of the CITY's fiscal year in which the INTERCONNECTION DATE occurs.

SECTION 2: CUSTOMER BILLING AND NET METERING

2.1 For each full billing cycle during the NET METERING PERIOD, CUSTOMER will receive and shall be obligated to timely pay, as required therein, fees, costs, and charges for all electric and utility service provided by the CITY to CUSTOMER in accordance with City's then current Utility Rate Ordinance and consistent with the TERMS AND CONDITIONS OF SERVICE.

2.2 In addition, for each full billing cycle during the NET METERING PERIOD, provided each of the requirements in Section 4 and Section 5 of this Addendum are applicable and valid, City will make a separate calculation that may result in the CUSTOMER receiving a NET METERING PAYMENT from City. NET METERING PAYMENTS shall be calculated and paid separately from CUSTOMER'S bill for electric service and shall be made as set forth below:

- a. During any billing cycle in the NET METERING PERIOD, CITY'S meter register will be used to measure kWh delivered to the CUSTOMER ("kWh Delivered"); and
- b. During any billing cycle in the NET METERING PERIOD, CITY's meter register will be used to measure kilowatt hours delivered to the CITY by CUSTOMER/SITE ("kWh Received").
- c. NET METERING PAYMENT will be calculated as follows:
 - (i). For amounts of kWh Received up to or equal to the amount of kWh Delivered, CITY will pay CUSTOMER for such kWh Received at the CUSTOMER'S applicable rate schedule's Energy Charge for that billing cycle.
 - (ii). For any amount of kWh Received greater than the amount of kWh Delivered, CITY shall pay CUSTOMER the amount calculated by multiplying kWh Received greater than the amount of kWh Delivered by the simple calendar monthly average of the Daily Firm Day-Ahead Off-Peak Index Price at the Palo Verde Hub, as published by SNL Energy or similar report, selected by CITY, for the prior calendar month in which the billing cycle occurred. Such payment will be made directly by the CITY's Electric Utility every two (2) months.

CUSTOMER is required to notify CITY in writing within ten (10) days of receipt of a NET METERING PAYMENT of any dispute in the amount of the NET METERING PAYMENT for the most current month. Any NET METERING PAYMENTS not disputed during the permitted period shall be final for all purposes. Disputes regarding NET METERING PAYMENTS shall not be subject to resolution in accordance with Section 19 of the Terms and Conditions of Utility Service. City will review and respond to CUSTOMER regarding disputed PAYMENTS within ten days of receipt of written notice. Thereafter, CUSTOMER may file a Notice of Claim in accordance with A.R.S. § 12-821.01.

SECTION 3: NET METERING PERIOD

The NET METERING PERIOD shall be as defined in Section 1 of this ADDENDUM unless:

- a. The Net Metering Period is renewed for an additional fiscal year by written notice from the CITY to CUSTOMER,
- b. The ADDENDUM is otherwise terminated or cancelled by CITY in accordance with the provisions of this ADDENDUM.

Additionally, CITY may terminate this ADDENDUM at any time and without cause by ten (10) days written notice from the CITY to CUSTOMER. Thereafter, termination shall be effective as of the next electric service meter read date in the month following the giving of such notice by CITY.

SECTION 4: REQUIREMENTS AND CONDITIONS

CUSTOMER understands and agrees that NET METERING and any associated payments are not established by the CITY pursuant to Rate Schedules or the Terms and Conditions of Utility Service or otherwise and therefore are being provided by CITY and accepted by CUSTOMER solely pursuant to this ADDENDUM. CITY'S agreement to make NET METERING PAYMENTS shall be subject to the validity and applicability of each of the conditions set forth below.

- a. CUSTOMER remains a CITY electric utility customer throughout the NET METERING PERIOD, for service provided at the SITE;
- b. CUSTOMER does not have any amounts (other than amounts not yet billed) due to CITY for any utility services;
- c. CUSTOMER has no other delinquent CITY accounts;,,
- d. CUSTOMER is in compliance with the TERMS AND CONDITIONS OF UTILITY SERVICE for CITY utility services;
- e. CUSTOMER has an existing and valid INTERCONNECTION AGREEMENT with the CITY for the DISTRIBUTED GENERATION EQUIPMENT and at all times during the NET METERING PERIOD, CUSTOMER meets all requirements therein, including but not limited to the Applicability Requirements in Section 4 of the INTERCONNECTION AGREEMENT.
- f. Sufficient appropriated funds remain available and CITY has not otherwise terminated NET METERING in accordance with this ADDENDUM.

SECTION 5: CUSTOMER REPRESENTATIONS, WARRANTIES, AND ACKNOWLEDGEMENTS

CUSTOMER represents, warrants, and acknowledges its understanding and agreement to each of the statements below:

- a. CUSTOMER remains responsible for all charges, costs, and fees for electric and all other utility services provided by CITY and shall pay for such charges, costs, and fees in accordance with applicable billing statements and the Terms and Conditions of Service. **NET METERING PAYMENTS, if any are due, shall be paid separately, and MAY NOT be used by CUSTOMER as an offset or to delay any other payments due the CITY for utility payments or otherwise;**
- b. In addition to other available remedies, CITY may withhold any NET METERING PAYMENTS to CUSTOMER in the event CUSTOMER is delinquent with respect to any other obligation or payment to CITY whether related to its payment of any utility service, including electric service, or any other CITY utility payment or other payment owed or due the CITY;
- c. CUSTOMER'S acceptance of any NET METERING PAYMENT and shall serve as a representation by CUSTOMER of the validity that both CUSTOMER and the DISTRIBUTED GENERATION EQUIPMENT are in compliance with all terms and requirements of the INTERCONNECTION AGREEMENT including this ADDENDUM;
- d. CUSTOMER acknowledges that timing of CITY'S solar meter reads for all NET METERING PERIODS will be taken as closely as practical to the CUSTOMER'S standard meter reads, however, the two meter reads may not fall on the same day, and therefore CITY may use a reasonable estimate of energy received by CITY;
- e. CITY may terminate this ADDENDUM upon thirty (30) days written notice to CUSTOMER;
- f. NET METERING PAYMENTS may terminate at the end of the NET METERING PERIOD. CUSTOMER did not rely on the receipt or availability of NET METERING PAYMENTS for its decision to purchase or install the DISTRIBUTED GENERATION EQUIPMENT.

- g. CUSTOMER shall be solely responsible for any CUSTOMER tax liability resulting from the NET METERING PAYMENTS.
- h. CUSTOMER acknowledges that CUSTOMER has executed a separate INCENTIVE AGREEMENT whereby CUSTOMER has agreed to convey all environmental attributes associated with the DISTRIBUTED GENERATION EQUIPMENT to the CITY for the term of twenty (20) years.

Pursuant to the terms set forth above, CUSTOMER desires to enter into this ADDENDUM.

CITY OF MESA, an Arizona Municipal Corporation

BY: Frank McRae,
ITS: Energy Resources Director

CUSTOMER ACCEPTANCE AND AGREEMENT

BY: _____

DATE: _____

ACCEPTED: Customer Signature, Title (if applicable)

For (if applicable: _____